

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2976 – SB 2896**

February 22, 2010

**SUMMARY OF BILL:** Requires any state department or agency, attempting to renew, extend, or modify the terms of a contract for goods or services, to perform a financial review of the original contracted entity or any proposed successor to assess the liability to the state under the contract terms. Defines “successor entity” as any merger, acquisition, name change, or change in corporate control of the entity. Requires each department or agency to submit a certification of completion to either the Department of General Services or the Department of Finance and Administration Office of Contracts Review as well as the Comptroller of the Treasury and the Fiscal Review Committee. Prohibits renewal, extension, or modification of contracts unless the certification has been received.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

Assumptions:

- The review of a contracting entity’s financial stability will be completed by each department or agency’s existing staff within existing resources without an increased appropriation or reduced reversion.
- Any increase in state expenditures for submitting a certification of the financial integrity of a company to the appropriate approval agency, the Comptroller, and the Fiscal Review Committee is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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